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INFORMATION REPORT

COUNTRY Peru 25X1A2g
SUBJECT Communist Activities in September 1948

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The following estimates of the relative position of the orthodox Communist Party of Peru (PCP) and the Juan P. Luna group are based on activities which took place during the month of September 1948.

A. General Comment

1. Luna, whose appeal appears to be to the laboring classes, has most of the support of the non-Aprista taxi and bus drivers, the civil construction workers, and the port and dock workers. These groups traditionally have formed the source of pro-Communist labor strength in the Lima area. Furthermore, some of the departmental committees in the north appear to be weakening in their allegiance to the Central Committee of the PCP. In this connection, the absence of representatives to the III National Congress from the departmental committees of Cajamarca, La Libertad, San Martin, Tumbes, and Loreto, while not necessarily indicating that these groups are pro-Luna, at least indicates indecision and uncertainty, and a decline in strength in those areas of the orthodox Party.
2. On the other hand, the orthodox Party still commands the loyalty of the great majority of the Party's intellectuals. It has control of the departmental committees of the south, Arequipa, Cuzco, and Puno, long the center of numerical strength of the PCP. In the Department of Lima and in the capital itself, the orthodox group has undoubtedly lost ground. This was frankly admitted in the Conclusions of the III National Congress of the PCP dealing with the national organization of the Party (cf. ~~SECRET~~). 25X1A2g
3. The division of Peruvian Communists into laborers against intellectuals has provided Luna with the argument that his is the true Communist group, since it is composed of laborers from city and farm. The opposition, he points out, is composed of the intelligentsia, such as del Prado and his followers.
4. Meanwhile the del Prado group still controls the machinery of the Party, whereas Luna is obliged to organize from scratch. This, however, gives him a certain advantage, for the impression of "the man in the street" is that the Luna group is now active and growing, in contrast to the more sedentary, more old-fashioned, orthodox PCP.

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5. Finally, from the international point of view, Luna undoubtedly has closer ties with Lombardo Toledano and the CTAL. For approximately the whole month of September 1948, correspondence from the CTAL no longer appeared to come to orthodox Party headquarters, but was evidently sent directly to Luna or to Alipio Orbegoso, now one of his closest advisors.
6. The month of September was marked by the first practical exhibition of Luna's skill as a labor manipulator since his expulsion from the PCP. This was demonstrated in conjunction with the autobus workers strike, reported in more detail below, and would appear to confirm reports that Luna remains perhaps the outstanding non-Aprista labor leader in Peru today.
7. From the point of view of the orthodox Communist Party of Peru, the month of September was marked by reorganizational activity on the part of the new Directorate appointed by the III National Congress. The new Directorate attempted to close their ranks, tighten their lines, and get off to a fresh start to rebuild the Party and remedy recent reverses.

B. The Orthodox Communist Party of PeruCentral Committee: National Secretariat

8. No meetings of the full Central Committee of the PCP were reported during September, but the newly elected National Secretariat met for the first time on 6 September. A change was reported in the composition of the Political Commission of the Party, with Federico Iriarte replacing Hugo Levano. Source was not able to discover the reasons for the change nor the length of time it was to be in effect.
9. It was agreed to form a National Electoral Commission in view of the Constituent Assembly elections which were being planned at that time. The question of presenting Party-backed candidates was discussed. Juan Jacinto Paiva was chosen to preside over the commission.
10. During the week 10-17 September, a series of meetings of the National Secretariat were held to discuss the projected Constituent Assembly elections. Jorge del Prado presided in the absence of Manuel Ugarte Saldana.
11. Maximo Gonzales was appointed to the National Syndical Commission, and Federico Iriarte to the same Commission in an advisory capacity. At the final September meeting of the National Secretariat, held on the 24th of the month, it was reported that disciplinary action had been recommended against Teofilo Alvirena, the mother of Emilia Casas, a member of the Central Committee until August 1948. The reason for this action is not yet known.

Political Developments

12. On the political front the Party's energies were devoted mainly toward solving the problem of reaching some sort of understanding with the anti-Apristas in the Constituent Assembly electoral campaign.
13. The new Political Commission of the Party met for the first time on 7 September to discuss this problem and to consider the project drafted by Jorge del Prado and Jose Macedo Mendoza in accordance with the recommendations of the III National Congress. Del Prado and Macedo are said to have discussed the project with the Party's two most prominent "lay" advisors, Dr. Hugo Pesce and Dr. J. Uriel Garcia, neither of whom holds Party membership, but who are generally consulted on major political problems in the role of "elder statesmen".

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14. It was reported that so far the only group to indicate willingness to form an anti-APRA "Frente Unico" with the Communists was the Partido Socialista Popular, led by the Communist-line Deputy Carlos Gonzalez Loli. 25X1A6a
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 Carlos Gonzalez Loli was reported in [REDACTED] as one of the labor advisers consulted by General Manuel Odría.)

15. During the week preceding 17 September a series of meetings of the National Secretariat was held in discussion of these problems, del Prado himself presiding in the absence of the Secretary General, who was on a trip to Huancayo. On that date the Party learned that their efforts along these lines were being "sabotaged" by the Bustamante government. The government had informed all non-Aprista parties of the impossibility of presenting any Communist Party candidates on the government-sponsored list, warning them all that no compromise with the Communists would be tolerated on this point. In consequence, the Party was left with only one alternative, and the list drawn up by the National Electoral Commission, previously reported in [REDACTED] was the result.

16. At a meeting of the Political Commission held on 27 September, the President of the Party's National Electoral Commission, Juan Jacinto Paiva, was authorized to seek the cooperation of the Partido Social Republicano and the Partido Socialista Popular in support of this list. Jorge del Prado was charged with a similar mission during his trip to the south. If necessary, they decided to agree to accept a unified list representing the three parties.

Lima Departmental Committee

17. The new Secretary General communicated specially with the Lima Departmental Committee requesting them to intensify their campaign on behalf of the Party in the Lima area in view of the natural importance of the capital city and its industries, and the growing strength in the Department of the "dissident" group led by Juan P. Luna. One result of this was the leaflet campaign carried on against the moving picture "The Iron Curtain".

18. A further result may be seen in the Work Plan drawn up for the Departmental Committee by Segundo del Mar and Jose Reccio at the end of September. The plan is designed to increase the effectiveness of the orthodox Party in the Department of Lima. It calls for the study and application of strictly bolshevik ideology and organization in accordance with the teachings of Lenin and Stalin. The plan sets forth in some detail how it hopes this may be accomplished.

Labor: National Syndical Commission

19. The attitude of the Party toward the wave of Aprista-inspired strikes, occurring principally in the sugar valleys of the north, was one of disapproval. The Party condemned these strikes as primarily political maneuvers by the Apristas, having no economic character. A leaflet expressing this attitude was prepared by the Political Commission. The Party also condemned the Aprista strikers in the autobus workers group.

20. However, the strike called by the Federation of Textile Workers (Federacion de Trabajadores en Tejidos del Peru) had the full support of the Party although the Federation is predominantly Aprista. Party support came, because in addition to the usual labor claims, the Federation demanded the reinstatement of three textile workers to their jobs from which it was maintained they had been wrongfully dismissed. Of these three individuals, one was an Aprista, one the leader of the Trotskyites, Leoncio Bueno, and one the brother of Eliceo Garcia, a member of the Communist Party of Peru.

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21. At the level of practical labor organization, the National Syndical Secretary and his Secretariat have laid out an elaborate "three month plan" to rebuild Communist strength within the labor unions of Peru. Their purpose is to regain control of as many single unions as possible, then the Federations and, finally, the Workers' Federation of Peru, which has been firmly in the hands of the APRA.
22. As the first step in implementing this campaign, a letter has been sent to all PCP Syndical Secretaries throughout Peru. This letter announces the results of an important meeting of the National Syndical Commission (CSN) held 9 September, at which the Plan was drawn up and approved. The letter sets forth the "three month plan" of the CSN and announces the newly-selected Commission. It is signed by Eliceo Garcia Lazo, National Syndical Secretary, and dated 10 September 1948.
23. The letter is of interest since it indicates what the Party itself evidently believes to be its centers of strength in the industrial Lima area. It hopes to use these groups as nuclei around which to build this concerted campaign to capture control of Peruvian organized labor. From the text of the letter these appear to be the following:

Textile Workers	Hatters
Bus Drivers	Civil Construction Workers
Glass Workers	Callao Stevedores
Tramway Conductors	Railway Workers
	Lima Taxi Drivers

24. The new National Syndical Commission is made up of the following:

Eliceo Garcia Lazo	Gustavo Gorriti
Maximo Gonzales	Augusto Urteaga
Santiago Sabogal	Marcelino Gonzales
Ernesto Garcia	Julian Huanay

A representative from among the Communist Youth remains to be named. Source reports that Augusto Urteaga was excused from the National Syndical Commission until his duties with the National Electoral Commission were terminated. Meanwhile, they are searching for another lawyer to take his place on the CSN.

Political Commission

25. In addition to the meeting of the Political Commission which was held on 7 September to discuss the Constituent Assembly elections, a special meeting was held the evening of 18 September. The purpose of the meeting was to hear a report by the National Secretary of Organization, Jorge del Prado, concerning a communication from the owners of the Empresa Grafica Gutenberg, the printing press now leased by the Party. The Party's lease terminated the end of October 1948, and the owner stated that he did not wish to renew it, but that he wished to sell the press outright, and that according to the terms of the present lease the Party had first option in such case. He stated that he was prepared to offer it for sale at the price of 155,000 soles. In compliance with their present contract, he was giving them notice of this fact thirty days in advance.
26. In view of this situation, and of the Resolutions of the III National Congress concerning the press, Jorge del Prado suggested that an immediate campaign be undertaken to raise this sum. The nucleus would be the 15,000 soles now on deposit in a Lima bank representing the proceeds of the "Pro Labor Diario" campaign. On top of this sum, reported del Prado, 30,000 soles had been promised by a Party member in Cuzco for the purposes of the Press. Furthermore, there are in Puno and Arequipa Party members who are relatively well-off who could probably contribute some 60,000 soles more, between the two Departments. In this manner, said del Prado, more than half the necessary sum would be collected, and to see this accomplished, he himself offered to travel to the southern Departments immediately.

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27. The money to be collected in this manner was not asked for as a gift, but a legally registered corporation will be formed with shares at 2,000 soles apiece. Capable and experienced Directors will be chosen to avoid the failure of Barrio and the earlier days of the Party press, and to assure the proper administration and development of the project. Del Prado stated that it was necessary to the Party to maintain its press.
28. The following spoke at the meeting in support of del Prado's proposal: Jose Macodo Mendoza, Eliceo Garcia, Carlos Arbulo Miranda, Juan Lopez, Sergio Caller, and Juan Jacinto Iaiwa. The proposal was approved and adopted. It was decided that representatives should be sent immediately to the south, center and north to publicize this resolution of the Political Commission and to emphasize the urgency of collecting these funds to purchase the press. Del Prado was chosen to make the trip to the southern Departments, and left on 28 September.

National Control Commission

29. The National Control Commission began a campaign to tighten Party discipline, starting at the provincial committee level. A letter dated 7 September, signed by Carlos Arbulo Miranda and addressed to all provincial committee secretaries, asked for a report to national headquarters from all such local committees on membership, local disciplinary measures taken, etc., in order to "exercise strict vigilance in the compliance with the resolutions, political line, statutes and program of the Party approved in our Third National Congress."
30. The case of Toribio Ramirez Chacon, who was suspended as a delegate to the III National Congress, was turned over to the Control Commission for further action by the Congress. In a resolution dated 28 September, the Control Commission reviewed the case and expelled him from the Communist Party of Peru for having betrayed the interests of the PCP.
31. The case of Alvaro Zumaran of Lima was also turned over to the Control Commission by the III National Congress for further action. Zumaran was likewise expelled from the Communist Party of Peru by a resolution of the Control Commission during September.
32. The Control Commission also issued a statement that Julio Barrera Aragon, whose expulsion from the Party was ratified by the III National Congress, had gone over to the Apristas. All Party members were warned to have no contact whatsoever with him under penalty of severe disciplinary measures.
33. The support given by the Control Commission to the effort of Labor to collect its debts is reported below.

National Secretariat of Economy

34. The National Secretary of Economy, Sergio Caller, assisted by Asuncion Suarez, organized a new National Secretariat of Economy. In the letter inviting attendance at the first meeting of the Secretariat, held 6 September, a suggested Plan of Action was sketched out for discussion, to organize and expand the collection of Party funds both from enrolled members and from "sympathizers".

Communist Youth Movement

35. The Juventud Comunista Peruana met at La Colmena, 669, 5 September to hear a report on the fiesta held the previous Sunday and to plan another issue of Estrella. It was reported to the meeting that the funds raised were insufficient to publish another number of the newspaper, and none appeared during the month of September.

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36. The officers of the Juventud Comunista, presided over by Hugo Levano, met again the following Sunday, 12 September, to consider the possibilities of holding a Communist-inspired Youth Congress in the near future. In view of the difficulties involved there was little enthusiasm, and nothing more was heard of the project during the month.

Movement of Prominent Communist Personalities

37. Manuel Ugarte Saldana, newly elected Secretary General of the PCP, travelled to Huancayo early in September to get his family and move his residence to Lima and to arrange other personal affairs. While in Huancayo, he reported to the Departmental Committee of Junin on the results of the III National Congress. During his absence, Jorge del Prado, now National Secretary for Organization, served as acting Secretary General.
38. Jorge del Prado's trip (cf. paragraph 28), primarily for the purpose of raising funds for the Party press and of investigating possibilities for the elections, was expected to keep him away from Lima for a month or more. His itinerary included Arequipa, Juliaca, Puno, Cuzco, Apurimac, Ayacucho, Huancavelica and Junin.

Correspondence and Contacts with Communists Abroad

39. As previously reported, the Conclusions and Resolutions adopted by the Communist-dominated Continental Youth Congress, held in Mexico City, April-May 1948, were finally received in Lima during the month of September 1948. They were forwarded to the PCP headquarters, Lima.
40. The Noticiero de la CTAL (CTAL Reporter) a weekly Spanish-English publication of the CTAL is received regularly by the PCP in Lima. Joel Marrokin, a former member of the PCP in Lima now lives in Mexico, and acts as liaison agent with Peru for the newspaper. Party news from Peru is forwarded by Eliceo Garcia to Marrokin at the following address: "Mina" No. 355, Altos, 12, Mexico, D.F.
41. The Boletín de Información de la Embajada de la URSS continues to arrive at PCP headquarters, Lima, with regularity. Number 32, dated 7 August 1948, was received early in September 1948.
42. Francisco Febres, an active member of the PCP and a suspected courier between Argentina and Peru, made a trip to Buenos Aires. The arrival of Afranio Acevedo, Brazilian Communist, was reported in [REDACTED]. The departure of Teodoro Garrido Lecca and Francisco Viale, pro-Communist Socialists, to represent Peru at the Tampico Petroleum Workers Congress has been previously noted.

Communist Publications in Peru

43. The Communist Party news organ, Labor, failed to appear during the month of September. As was brought out at the III National Congress, the paper's insolvency was the chief reason for its non-appearance. There are many outstanding debts owed to Labor by Party organisms throughout the country, and Jose Raccio is attempting to collect these debts, so that the paper may be published again. He sent out a circular to the debtors on 15 September threatening disciplinary action, in accordance with a Party Control Commission decision, if the debts were not paid at once.
44. On 22 September, the appointment of Luis Nieto as director of the Party newspaper was announced. The circular letter making the announcement also emphasized the serious condition of the paper's finances, and set forth plans for reorganization of the news organ. The deficit amounted to more than 4000 soles.

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45. Liberacion and Jornada, the Party news organs in Arequipa and Cuzco respectively, continued to appear regularly during the month of September. Admitting the failure of the campaign to turn the national Party weekly Labor into a daily paper, the Departmental Committee of Cuzco and its Press and Propaganda Committee have now launched a similar campaign on behalf of Jornada. This, they state, should be easily accomplished through contributions from what they claim to be "the eight thousand militants and adherents of the Communist Party in the Department of Cuzco." No results of the campaign have yet been reported.

Communist Front Organization: Instituto Cultural Peruano Sovietico (Peruvian-Soviet Cultural Institute)

46. All activities of the Instituto Cultural Peruano Sovietico have been suspended for some time. The Institute now has no quarters and Rosa Hurwitz, formerly most active in Institute affairs, appears to have dropped all such activity in recent months.
47. Propaganda material sent to the Institute by the Embassy of the USSR, Mexico City, is now delivered to Elena Malinovski, Jiron Apurimac, 503, Departamento "C" (Altos), Lima, who turns it over to the Party for dissemination among Party members and friends in the Lima area.
48. News published toward the end of the month regarding the "attempted assassination of President Peron by an official of the American Embassy" as the Communists interpreted the news item, gave the Communist Party a temporary "lift". They fully approved of Peron's statement attacking "foreign agents and imperialist enterprises", and of the anti-United States street manifestations that followed in Buenos Aires. The Party immediately communicated with Argentina to ascertain what line they should follow and how far they could go in praising Peron for this anti-imperialist, anti-American stand.
49. Two members of the Union Revolucionaria (Revolutionary Union-UR) who travelled to Cuzco in September to estimate the strength of the UR in that area, returned to report that it was their belief that the Cuzco region was approximately 70% Communist at that time, with Aprista strength waning except in the University.

C. Juan P. Luna and His Dissident Group

50. From the point of view of the dissident group centering around Juan P. Luna, the most important events of the month of September were Luna's activities in connection with the autobus workers strike, and the government's recognition of Luna and his colleagues as the collective bargaining agent for the Autobus Workers, in opposition to the Aprista-controlled faction of the Sindicato Unico de Trabajadores en Autobuses (Sole Syndicate of Autobus Workers-SUTA).
51. The strike allegedly originated in the desire of the proprietor of a real estate development to extend bus line No. 21 to reach the new section. Peruvian law requires the consent of the bus line employees before such an extension can be approved. Only the signature of Juan V. Orozco, as Secretary General of the SUTA, remained to be obtained to complete the affair. At this point, Orozco learned that two officers of the SUTA, Juan P. Luna and Francisco Marquez, had been promised plots of land by the proprietor in exchange for their efforts to assure the employees' consent, whereas he, the Secretary General, had not been cut in on the deal.
52. In his annoyance Orozco, hitherto sympathetic to Luna, not only refused to sign but left the Luna camp and threw in his lot with the Aprista wing of the SUTA which, under his leadership, immediately called a wildcat strike.

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53. Orozco's avowed purpose in so doing was to bid for leadership of a clear majority of the union, and to isolate Luna and Marquez as "obstructionists" in their opposition to the strike. He demanded that they be expelled from the union and new officers chosen, in accordance with Aprista orders.
54. The Orozco-Aprista plan soon backfired. Luna went immediately to the government and indicated that he was in strong disagreement with the group calling the strike. He stated that he and his colleagues would agree in the name of the majority of the union to begin immediate conferences with the employers and with the Direction of Labor to settle all complaints legally.
55. This offer was accepted and the Aprista wing of the SUTA proceeded to vote the previous Directorate out of office, with the exception of Orozco whom they reelected Secretary General. The government recognized Francisco Marquez as Secretary General of the SUTA and dealt with him and four others of the Luna wing as the collective bargaining representatives of the union on the Tripartite Commission appointed by the government to settle the matter.
56. This group of five included Luna himself; Francisco Marquez, reported once to have been a member of the Communist Party of Peru and, although never formally expelled, now collaborating with Luna; German Velez, described as "a Luna-Communist"; and two "independents", Jorge Francisco Herrera and Luis J. Delgado, temporarily cooperating with the Luna group.
57. By obtaining recognition for his group as the only qualified negotiators on behalf of the SUTA, Luna gained an important round in the battle for labor prestige over both the APRA and the orthodox PCP, from which he was recently expelled. Furthermore, in partially restoring bus traffic, he gained the confidence and good will of the government as a powerful ally in the fight against APRA. He amply demonstrated both to the government and to labor his ability to combat and defeat APRA on their own ground, as well as his own personal prestige in the labor movement. He hoped thereby to take an important step toward convincing the government that it must rely on him to deliver labor support and that without him it would be the prisoner of APRA in the labor field.
58. Moreover Luna subsequently claimed that he, not APRA or the CTP had "sprung" a large number of the 272 bus drivers once imprisoned during the course of the strike -- a very effective argument in seeking the support of any individual bus driver.
59. Apart from the bus strike, few activities of the Luna group have been reported during the month. Bandera Popular, the news organ of the dissidents did not appear during September, and it is not known when or whether it will resume publication.
60. Meanwhile, more of the Conclusions and Resolutions of the dissident XIV Lima Departmental Congress have been made available. These appear to throw additional light on the history of the Party, particularly under Prado. The present section is entitled Conclusions and Resolutions of Discipline of the XIV Lima Departmental Congress of the PCP.
61. Rosa Hurwitz has stated that she was, of course, in complete disagreement with Luna and with everything that he was doing in his campaign against the Communist Party. She referred to the Conclusions and Resolutions of the Luna group as containing information that should be kept strictly secret among Party members and not be brought up at this time. She admitted, however, that the reference therein to her brother, now exiled in Mexico, was completely true.
62. According to her, the Miro-Quesadas complained to Prado concerning a speech by (fnu) Hurwitz, as Secretary of the Bloque Anti-Fascista, in which he referred to them in uncomplimentary terms. Prado ordered Hurwitz imprisoned and deported, informing Communist Party leaders that this had been done at the express demand

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of the Hino-Quesadas and that he could do nothing about it, although he himself found the speech harmless. Party leaders dropped the matter entirely, organizing no protest meetings in Hurwitz' favor, never even visiting him in jail, since they did not wish to go contrary to the President's wishes.

63. This the Luna group now uses as an illustration of the servility to the government of Party leaders of that period, an accusation which Rosa Hurwitz agreed was entirely true, but far better left unsaid at this critical moment in the life of the Party.

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